Company Registration No. SC469689 (Scotland)

GOLF RECREATION SCOTLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANIES HOUSE
2 9 SEP 2017
EDINBURGH FRONT DESK

FRIDAY
S6G0RDEZ
SCT 29/09/2017 #574
COMPANIES HOUSE

GOLF RECREATION SCOTLAND LIMITED

COMPANY INFORMATION

Director	E Trump
Secretary	R Graff-Riccio
Company number	SC469689
Registered office	Bishop's Court 29 Albyn Place ABERDEEN AB10 1YL
Auditor	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND

GOLF RECREATION SCOTLAND LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the financial statements	14 - 28

GOLF RECREATION SCOTLAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents the strategic report for the year ended 31 December 2016.

Fair review of the business

2016 proved to be a landmark year in the history of Turnberry, with the greatly anticipated reopening of both the luxury hotel and world renowned Ailsa course in June 2016, ushering in an exciting new era for the historic resort. We are certain that the vast amount of hard work that has gone into creating this world class and industry leading resort, will exceed the high expectations of both our new and returning guests.

The stunning, yet respectful, changes to the Ailsa course, envisaged by renowned architect Martin Ebert, have been widely welcomed by the golfing community, offering both the amateur and professional player a unique and award winning golfing experience. It is our belief that the Ailsa course has confidently reclaimed its place as one of the truly great golf courses of the world. The exceptional redesign of several holes has complemented the unique history of the course, all set against golf's most inspiring backdrop, offering a truly championship level challenge.

In June 2017, we opened our second course: The King Robert the Bruce. Leading golf architects Mackenzie and Ebert have once again overseen the transformation of this course, which has combined many of the finest holes from the Kintyre and Arran courses, to create an exciting new experience which will prove to be the perfect accompaniment to the Ailsa course.

The redeveloped resort has retained its signature classic style and grandeur, entrenched in over a century of history, whilst being updated to such a standard to meet the requirements of the modern luxury market. Our new ballroom offers unparalleled facilities in the Scottish market, and we feel the venue is well placed to become Scotland's leading destination for weddings, conferences and events.

The Trump Organisation remains fully committed to the resort and further redevelopments are ongoing. We are proud of the work undertaken to date and look forward to welcoming our guests to Turnberry and to experience this unique resort for themselves.

Principal risks and uncertainties

The director and group management have undertaken a comprehensive review of the risks facing the group.

The group operates in an industry which is both competitive and challenging, factors which can be heightened by adverse weather conditions.

The director considers that the principal risk factor that could materially affect the group's future operating profit or financial position is customer demand for luxury travel.

The director and group management have detailed knowledge and experience of the sector, and have established business policies and an organisation structure to limit these risks, which are regularly reviewed and reassessed to proactively limit their impact.

GOLF RECREATION SCOTLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Development and performance
The profit and loss account and balance sheet are set out on pages 7 and 9. Total equity at the year-end was a deficit of £39,469k (2015: deficit of £13,682k).

Significant capital expenditure, including investment in energy efficient assets, has taken place in 2016 which is reflected in the current year results and this spend will continue during 2017. Fixed asset additions in 2016 amounted to £31,917k (2015: £17,502k).

Due to adverse currency fluctuations during the year, the group incurred a loss on foreign exchange of £8m (2015: £1m) as can be seen on the profit and loss account on page 7. £3.6m of this amount relates to the retranslation of prior year balances. Additionally, currency translation differences of £9.6m (2015: £1m) arose as a result of differences in the functional and presentational currencies of Golf Recreation Scotland Limited, as per the consolidated statement of comprehensive income on page 8.

The Turnberry resort reopened in June 2016. The results for the group, pre and post reopening, were as follows:

	6 months to 30 June 2016	6 months to 31 December 2016	Total
	£000	£000	£000
Turnover	2,272	6,726	8,998
Cost of Sales	(2,844)	(4,312)	(7,156)
Gross Profit	(572)	2,414	1,842
Administrative expenses	(2,639)	(3,084)	(5,723)
Operating loss before depreciation, amortisation and foreign exchange	(3,211)	(670)	(3,881)

Key performance indicators
Management of the group provides the director with management information at the end of each month. The KPIs assessed by the director are changes in revenue, costs and operating profit before depreciation, amortisation and foreign exchange.

Turnover for the group decreased by 21% due to the resort only being open for 6 months in the current year. It is expected that revenue will increase in subsequent years as the property is re-established as an industry-leading resort. The directors believe that the resort will return to profitability in the short to medium term.

Non-financial KPI's include the number of repeat customers to the resort and guest satisfaction. We strive to ensure that Turnberry remains established as a world-leading destination golf resort and are confident that the work undertaken will encourage new visitors to experience the resort, as well as driving repeat custom from our previous guests. In the period since opening, we have received excellent reviews from our guests, with the resort recording an overall satisfaction level of 8.6 out of 10.

On behalf of the board

E Trump
Director
20 SEPTEMBER 2017

The director presents his annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the group continued to be that of the operation of the Turnberry Resort and associated leisure facilities.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

D Trump	(Resigned 19 January 2017)
E Trump	

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of director's responsibilities
The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

Items included in the strategic report
Disclosure in respect of the future developments of the group has been included within the strategic report.

On behalf of the board

x ....

E Trump
Director
20 SEPTEMBER 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED

We have audited the financial statements of Golf Recreation Scotland Limited for the year ended 31 December 2016 set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor
As explained more fully in the Statement of Director's Responsibilities set out on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Johnston Carmichael LLP

Barry Masson (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

28 September 2017

Chartered Accountants
Statutory Auditor

227 West George Street
GLASGOW
G2 2ND

GOLF RECREATION SCOTLAND LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	31 December 2016 £000	31 December 2015 £000
Turnover	3	8,998	11,410
Cost of sales		(7,156)	(7,685)
Gross profit		1,842	3,725
Administrative expenses		(5,723)	(5,375)
Operating loss before depreciation, amortisation and foreign exchange		(3,881)	(1,650)
Depreciation and amortisation		(5,793)	(5,701)
Loss on foreign exchange		(7,974)	(1,045)
Operating loss	4	(17,648)	(8,396)
Taxation	7	28	-
Loss for the financial year	19	(17,620)	(8,396)

The consolidated profit and loss account has been prepared on the basis that all operations are continuing operations.

GOLF RECREATION SCOTLAND LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	31 December 2016 £000	31 December 2015 £000
Loss for the year	(17,620)	(8,396)
Other comprehensive expenditure		
Currency translation differences	(9,633)	(2,082)
Total comprehensive expenditure for the year	(27,253)	(10,478)

GOLF RECREATION SCOTLAND LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015	
	Notes	**£000**	**£000**	**£000**	**£000**
Fixed assets					
Goodwill	8		5,895		8,308
Tangible assets	9		67,583		39,069
			73,478		47,377
Current assets					
Stocks	13	343		354	
Debtors	14	1,007		2,730	
Cash at bank and in hand		701		1,826	
		2,051		4,910	
Creditors: amounts falling due within one year	15	(3,037)		(3,238)	
Net current (liabilities)/assets			(986)		1,672
Total assets less current liabilities			72,492		49,049
Creditors: amounts falling due after more than one year	16		(111,961)		(62,731)
Net liabilities			(39,469)		(13,682)
Capital and reserves					
Called up share capital	17		1,014		1,014
Other reserves	19		(10,864)		(2,697)
Profit and loss reserves	19		(29,619)		(11,999)
Total equity			(39,469)		(13,682)

The financial statements were approved by the board of directors and authorised for issue on 20 September 2017 and are signed on its behalf by:

X..............................

E Trump
Director

GOLF RECREATION SCOTLAND LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Investments	10		56,104		45,515
Current assets					
Debtors	14	51,361		19,579	
Cash at bank and in hand		74		13	
		51,435		19,592	
Creditors: amounts falling due within one year	15	-		-	
Net current assets			51,435		19,592
Total assets less current liabilities			107,539		65,107
Creditors: amounts falling due after more than one year	16		(111,961)		(62,731)
Net (liabilities)/assets			(4,422)		2,376
Capital and reserves					
Called up share capital	17		1,014		1,014
Other reserves	19		3,618		2,467
Profit and loss reserves	19		(9,054)		(1,105)
Total equity			(4,422)		2,376

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £7,949k (2015 - (£1,032k loss), primarily as a result of adverse foreign currency movements.

The financial statements were approved by the board of directors and authorised for issue on 20 September 2017 and are signed on its behalf by:

X.........

E Trump
Director

Company Registration No. SC469689

GOLF RECREATION SCOTLAND LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £000	Other reserves £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2015		-	(3,124)	(3,603)	(6,727)
Period ended 31 December 2015:					
Loss and total comprehensive expenditure for the year		-	(2,082)	(8,396)	(10,478)
Issue of share capital	17	1,014	-	-	1,014
Equity component of financing loans		-	2,509	-	2,509
Balance at 31 December 2015		1,014	(2,697)	(11,999)	(13,682)
Year ended 31 December 2016:					
Loss and total comprehensive expenditure for the year		-	(9,633)	(17,620)	(27,253)
Equity component of financing loans		-	1,466	-	1,466
Balance at 31 December 2016		1,014	(10,864)	(29,619)	(39,469)

GOLF RECREATION SCOTLAND LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £000	Other reserves £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2015		-	(1)	(73)	(74)
Period ended 31 December 2015:					
Loss and total comprehensive expenditure for the year		-	(41)	(1,032)	(1,073)
Issue of share capital	17	1,014	-	-	1,014
Equity component of financing loans		-	2,509	-	2,509
Balance at 31 December 2015		1,014	2,467	(1,105)	2,376
Year ended 31 December 2016:					
Loss and total comprehensive expenditure for the year		-	(315)	(7,949)	(8,264)
Equity component of financing loans		-	1,466	-	1,466
Balance at 31 December 2016		1,014	3,618	(9,054)	(4,422)

GOLF RECREATION SCOTLAND LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016		2015	
	Notes	**£000**	**£000**	**£000**	**£000**
Cash flows from operating activities					
Cash absorbed by operations	**24**		(5,867)		(2,572)
Investing activities					
Purchase of tangible fixed assets		(31,914)		(17,503)	
Net cash used in investing activities			(31,914)		(17,503)
Financing activities					
Proceeds from borrowings from related party		36,656		21,154	
Net cash generated from financing activities			36,656		21,154
Net (decrease)/increase in cash and cash equivalents			(1,125)		1,079
Cash and cash equivalents at beginning of year			1,826		747
Cash and cash equivalents at end of year			701		1,826

1 Accounting policies

Company information

Golf Recreation Scotland Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Bishop's Court, 29 Albyn Place, ABERDEEN, AB10 1YL.

The group consists of Golf Recreation Scotland Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Sterling, however the functional currency of the company is US Dollars. The functional currency of other group companies is Sterling. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- from the requirements to present a statement of cashflows.
- from the requirements of FRS 102 Section 11 paragraphs 11.39 to 11.48A relating to certain financial instrument disclosures as equivalent disclosures are included within the consolidated financial statements;
- from the requirements of FRS102 Section 33 paragraph 33.7 relating to the disclosure of key management personnel compensation.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Golf Recreation Scotland Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

1 Accounting policies **(Continued)**

1.3 Going concern

These financial statements are prepared on the going concern basis.

The group is dependent on continuing finance being made available by its ultimate owner to enable it to continue operating and to meet its liabilities as they fall due.

The Trump Organisation have confirmed that it will ensure all necessary financial support is provided to the group for the foreseeable future to enable it to meet its financial obligations as they fall due for at least a period of 12 months from the date of signing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services is recognised at the point that the service is provided.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

Goodwill is reviewed at each reporting date for any indicators of impairment, as explained more fully in note 1.8.

Other intangible assets related to advance bookings have now expired.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	10 - 40 years
Aircraft	25 years
Fixtures, fittings and equipment	2 - 20 years

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1 Accounting policies **(Continued)**

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are valued on a first in, first out basis and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from parent are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

1.13 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases
Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1 Accounting policies **(Continued)**

1.17 Foreign exchange

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

The functional currency of Golf Recreation Scotland Limited is US Dollars and the presentational currency is Sterling. Foreign exchange differences arising upon presentation are taken to other reserves.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assets held as construction in progress

Due to the resort-wide renovation, certain fixed asset additions have been categorised as 'construction in progress'. As work remains on-going at the balance sheet date, no depreciation charge has been recognised in the current year for such assets. An assessment is made on the completion status of these assets and, when considered complete, the asset is re-categorised based on its type and depreciated accordingly.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Goodwill

The group establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business and the expected useful life of the cash generating units to which the goodwill is attributed.

In addition, the directors review goodwill at each balance sheet date for indicators of impairment. Given the recent nature of the acquisition which gave rise to the goodwill included in the accounts, and also the fact that there remains assets under construction in the resort, it is the directors view that no indicators of impairment exist at this time.

Fixed asset investments

Fixed asset investments are measured at cost, less any impairment. The investments are assessed for any indicators of impairment, based on the assets acquired as part of the investment.

Intercompany loans

Loans advanced from the parent and to subsidiaries are financing transactions attracting no interest and are repayable one year and one day after the end of the financial period. As such the directors are required to assess a market rate of interest for similar borrowing that may be available from lenders at arms length, in order to quantify the carrying amount upon initial recognition at fair value, and the corresponding equity component. Market rates of interest are estimated by the directors by comparison with interest rates offered by banks for lending of comparable risk profile.

3 Turnover and other revenue

	2016	**2015**
	£000	**£000**
Turnover		
Sale of goods	3,373	4,300
Provision of services	5,625	7,110
	8,998	11,410

Turnover analysed by geographical market

	2016	**2015**
	£000	**£000**
United Kingdom	8,998	11,410

4 Operating loss

	2016 £000	2015 £000
Operating loss is stated after charging:		
Exchange losses	7,990	1,045
Depreciation of owned tangible fixed assets	3,380	3,111
Amortisation of intangible assets	2,413	2,591
Cost of stocks recognised as an expense	1,315	1,664
Operating lease charges	393	408

5 Auditor's remuneration

	2016 £000	2015 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	8	5
Audit of the company's subsidiaries	21	21
	29	26
For other services		
Taxation compliance services	8	8
Other taxation services	12	1
	20	9

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2016 Number	Group 2015 Number	Company 2016 Number	Company 2015 Number
Operating	265	297	-	-
Administrative	48	40	-	-
	313	337	-	-

6 Employees **(Continued)**

Their aggregate remuneration comprised:

	Group 2016	2015	Company 2016	2015
	£000	£000	£000	£000
Wages and salaries	5,410	5,588	-	-
Social security costs	372	414	-	-
Pension costs	116	95	-	-
	5,898	6,097	-	-

7 Taxation

	2016	2015
	£000	£000
Adjustments in respect of prior periods	(28)	-

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£000	£000
Loss before taxation	(17,648)	(8,396)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.21%)	(3,530)	(1,697)
Tax effect of expenses that are not deductible in determining taxable profit	1	1
Adjustments in respect of prior years	(28)	-
Other permanent differences	102	-
Deferred tax movement not recognised	2,364	564
Depreciation and amortisation permanent differences	1,063	1,132
Tax credit for the year	(28)	-

The group has a deferred tax asset of £9.0m (2015: £7.9m) that has not been recognised as there is no certainty of taxable profits in the future.

8 Intangible fixed assets

Group	Goodwill	Other intangibles	Total
	£000	£000	£000
Cost			
At 1 January 2016	12,063	400	12,463
Disposal on expiry	-	(400)	(400)
At 31 December 2016	12,063	-	12,063
Amortisation and impairment			
At 1 January 2016	3,755	400	4,155
Amortisation charged for the year	2,413	-	2,413
Disposal on expiry	-	(400)	(400)
At 31 December 2016	6,168	-	6,168
Carrying amount			
At 31 December 2016	5,895	-	5,895
At 31 December 2015	8,308	-	8,308

The company had no intangible fixed assets at 31 December 2016 or 31 December 2015.

9 Tangible fixed assets

Group	Land and buildings	Assets under construction	Aircraft	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2016	27,459	13,533	1,283	2,201	44,476
Additions	-	31,640	-	277	31,917
Disposals	-	-	(23)	-	(23)
Transfers from assets under construction	38,062	(44,096)	-	6,034	-
At 31 December 2016	65,521	1,077	1,260	8,512	76,370
Depreciation and impairment					
At 1 January 2016	3,587	-	51	1,769	5,407
Depreciation charged in the year	2,907	-	49	424	3,380
At 31 December 2016	6,494	-	100	2,193	8,787
Carrying amount					
At 31 December 2016	59,027	1,077	1,160	6,319	67,583
At 31 December 2015	23,872	13,533	1,232	432	39,069

9 Tangible fixed assets (Continued)

The company had no tangible fixed assets assets at 31 December 2016 or 31 December 2015.

10 Fixed asset investments

	Notes	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Investments in subsidiaries	11	-	-	56,104	45,515

Movements in fixed asset investments
Company

	Shares in group undertakings £000
Cost	
At 1 January 2016	45,515
Additions	1,464
Effect of foreign exchange	9,125
At 31 December 2016	56,104
Carrying amount	
At 31 December 2016	56,104
At 31 December 2015	45,515

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
SLC Turnberry Limited	United Kingdom	Golf and leisure facilities	Ordinary	100.00	
DT Connect Europe Limited	United Kingdom	Helicopter operations	Ordinary	100.00	
Nitto World Co., Limited	United Kingdom	Dormant	Ordinary		100.00

The share capital of Nitto World Co., Limited is 100% owned by SLC Turnberry Limited

12 Financial instruments

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Carrying amount of financial assets				
Cash and cash equivalents	701	1,826	74	13
Debt instruments measured at amortised cost	566	748	51,360	19,579
Equity instruments measured at cost less impairment	-	-	56,104	45,515
Carrying amount of financial liabilities				
Measured at amortised cost	113,689	65,759	111,961	62,731

13 Stocks

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Raw materials and consumables	343	354	-	-

14 Debtors

Amounts falling due within one year:	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Trade debtors	462	749	-	-
Corporation tax recoverable	28	-	-	-
Other debtors	278	1,665	-	-
Prepayments and accrued income	239	316	-	-
	1,007	2,730	-	-
Amounts falling due after more than one year:				
Amounts due from subsidiary undertakings	-	-	51,361	19,579
Total debtors	1,007	2,730	51,361	19,579

15 Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade creditors	714	991	-	-
Other taxation and social security	120	90	-	-
Accruals and deferred income	2,203	2,157	-	-
	3,037	3,238	-	-

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Amount due to parent	111,961	62,731	111,961	62,731

Intercompany loans are repayable one year and one day after the financial year end, on a rolling basis in accordance with agreements in place between the two parties.

17 Share capital

	Group and company	
	2016	2015
Ordinary share capital	£000	£000
Issued and fully paid		
1,013,515 Ordinary shares of £1 each	1,014	1,014

18 Retirement benefit schemes

	2016	2015
Defined contribution schemes	£000	£000
Charge to profit or loss in respect of defined contribution schemes	116	95

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

19 Reserves

Other reserves
Other reserves represents amounts taken to equity as a result of the release of inter-company creditors, and the equity component of financing loans received from the parent company. Certain currency translation differences are also included in other reserves.

Profit and loss reserves
The profit and loss reserves account represents the accumulated comprehensive loss for the period and from prior periods, excluding certain currency translation differences which are included in other comprehensive income and other reserves.

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Acquisition of property, plant and equipment	22	520	-	-

21 Related party transactions

Remuneration of key management personnel
The director is considered to be the key management of the group. There is no remuneration of key management personnel from the group.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties 2016 £000	2015 £000
Group and company		
Parent	111,961	63,169

No guarantees have been given or received.

The group has taken advantage of the exemption within FRS 102 Section 33 paragraph 33.1A from the requirement to disclose transactions with wholly owned companies within the group.

22 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Within one year	324	391	-	-
Between two and five years	479	702	-	-
	803	1,093	-	-

23 Controlling party

The ultimate parent undertaking is The Donald J. Trump Revocable Trust, a New York state grantor trust registered in New York, USA.

The ultimate controlling parties are the Trustees of The Donald J. Trump Revocable Trust.

Golf Recreation Scotland Limited is the smallest and largest group of companies for which group accounts are prepared.

24 Cash generated from operations

	2016 £000	2015 £000
Loss for the year after tax	(17,620)	(8,396)
Adjustments for:		
Taxation credited	(28)	-
Amortisation and impairment of intangible assets	2,413	2,591
Depreciation and impairment of tangible fixed assets	3,380	3,111
Movements in working capital:		
Decrease/(increase) in stocks	11	(120)
Decrease/(increase) in debtors	9,702	(1,034)
(Decrease)/increase in creditors	(3,725)	1,276
Cash absorbed by operations	(5,867)	(2,572)